

News from Congressman David Price (NC-04)

Chairman, House Appropriations Subcommittee on Homeland Security

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OPENING STATEMENT OF CHAIRMAN DAVID PRICE *Container, Cargo and Supply Chain Security Hearing, 10 am*

This morning we will hear from two panels on the challenges and priorities facing our nation to secure containers, cargo, and the supply chain from radiological and nuclear attacks. Our first panel will consist of Stephen Flynn, Senior Fellow for National Security Studies with the Council on Foreign Relations, and Christopher Koch, President and CEO of the World Shipping Council, who will provide perspectives on these issues from outside DHS. When the first panel concludes, we will hear from Jayson Ahern, Deputy Commissioner for U.S. Customs and Border Protection, and Vayl Oxford, Director of the Domestic Nuclear Detection Office, who will address this issue from an “inside of DHS” perspective, as well as discuss the fiscal year 2009 budget request.

The vulnerability of the U.S. economy – and in fact, the international economy – to a weapon of mass effect keeps many public officials awake at night. One such nightmare scenario involves nuclear material from the former Soviet Union that arrives at our shores aboard a ship via a cargo container. We hope our Homeland Security appropriations investments help keep this threat hypothetical.

DHS has requested \$955 million for its cargo and container security efforts in fiscal year 2009, about \$100 million above the FY 2008 funding level. Within this total, \$564 million is for DNDO to research, develop, and acquire systems that will better detect the presence of radioactive and nuclear devices entering our country; \$16 million is for S&T to research and develop next-generation cargo security devices; and \$376 million is for CBP to process a daily average of 70,200 sea, rail and truck containers and 304,000 private vehicles, not to mention small boats and private aircraft.

Today, we want to discuss progress in reducing risk, whether based on improved knowledge about containers and vehicles, or on more effective screening. We also expect to hear how ongoing research efforts are bearing fruit. During this hearing, we will delve into the following topics:

By 2012, under the 9/11 Act, all cargo bound for the U.S. must be scanned before being loaded on ships. We want to discuss DHS’ Secure Freight Initiative and other ways to meet this requirement.

- In January, our Subcommittee visited two of the 58 Container Security Initiative ports. We saw significant challenges, particularly in achieving the staffing levels and continuity CBP

needs to effectively manage its collaboration with foreign governments and customs agencies. Is there a better way for the U.S. government to run this program?

- Also, DHS budget materials project that the rate of scanning of sea containers – those that enter through U.S. sea ports of entry -- – would rise 50%, from 4% in FY 2007 to 6% in FY 2009, but that the rate for scanning containers arriving in the U.S. by truck and rail would fall 15%. How do you explain ANY reduction in scanning?
- Decisions to invest in next generation radiation detection technology require tradeoffs between the need to ensure such technology is accurate and cost effective, and the need to rapidly field a technology to reduce a critical vulnerability. We will want to discuss those investment decisions and their status.
- New data filing requirements are being promulgated to improve the quality of information DHS uses to screen and target. Development of the Global Trade Exchange promises to provide much more information about the supply chain, but raises questions about how such information will be gathered, managed and protected. We would like to hear from the witnesses about the shared and conflicting interests of government and the private sector in reducing risk in the supply chain. How should the obligations and costs of changing business processes and guarding sensitive information provided to government or third parties be shared?
- Efforts to develop advanced container or conveyance devices have been underway for almost five years. What should our goals be?
- Partnerships with importers, exporters, shippers and carriers help reduce risk because they give us more information about who is moving goods and containers. But such programs are only as valuable as our confidence in our partners, which requires regular monitoring – something government often does not do well.

This is an ambitious range of topics, and we look forward to a full discussion with our panels today. Please limit your oral remarks to about five minutes. Your entire written statement will be placed into the record. As I said earlier, we will begin with the first panel and then turn to Mr. Ahern and Mr. Oxford. Before you begin, however, let me recognize Mr. Rogers for any comments he may wish to make.

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